

3 1913, as amended by section four (4), chapter four hundred twenty-
 4 eight (428), laws of the thirty-seventh general assembly (37th G. A.)
 5 as amended by section two (2), chapter three hundred forty-eight
 6 (348), laws of the thirty-eighth general assembly (38th G. A.), be,
 7 and the same is hereby repealed and the following enacted in lieu
 8 thereof:

9 "9. Insure vessels, boats, cargoes, goods, merchandise, freights,
 10 specie, bullion, jewels, profits, commissions, bank notes, bills of ex-
 11 change and other evidences of debt, bottomry and respondentia inter-
 12 est and every insurance appertaining to or connected with marine
 13 risks of transportation and navigation, and insure automobiles, air-
 14 planes, seaplanes, dirigibles, or other aircraft, whether stationary or
 15 being operated under their own power, which include all or any of the
 16 hazards of fire, explosion, transportation, collision, loss by legal liabil-
 17 ity for damage to property resulting from the maintenance and use
 18 of automobiles, airplanes, seaplanes, dirigibles, or other aircraft, and
 19 loss by burglary or theft, vandalism, malicious mischief, or the wrong-
 20 ful conversion, disposal or concealment of automobiles whether held
 21 under conditional sale, contract or subject to chattel mortgages, or
 22 any one or more of such hazards, but not including insurance against
 23 loss by reason of bodily injury to the person."

Approved March 28, A. D. 1923.

CHAPTER 178

INSURANCE

S. F. 486

AN ACT to require insurance companies writing the several classes of insurance authorized by sub-division C of section two (2), chapter four hundred twenty-eight (428) acts of the thirty-seventh general assembly of Iowa (C. C. 5627-5d) to maintain certain reserves for outstanding losses.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Liability for suits and claims. That every corporation,
 2 association, company or reciprocal exchange writing any of the several
 3 classes of insurance authorized by subdivision c of section two (2),
 4 chapter four hundred twenty-eight (428), acts of the thirty-seventh
 5 general assembly of Iowa (C. C. 5627-5d) shall maintain reserves for
 6 outstanding losses under insurance against loss or damage from acci-
 7 dent to or injuries suffered by an employe or other person and for
 8 which the insured is liable computed as follows:

9 1. For all liability suits being defended under policies written more
 10 than

11 (a) Ten years prior to the date as of which the statement is made,
 12 one thousand five hundred dollars for each suit.

13 (b) Five and less than ten years prior to the date as of which the
 14 statement is made, one thousand dollars for each suit.

15 (c) Three and less than five years prior to the date as of which

16 the statement is made, eight hundred and fifty dollars for each suit.
17 2. For all liability policies written during the three years immedi-
18 ately preceding the date as of which the statement is made, such
19 reserve shall be sixty per centum of the earned liability premiums of
20 each of such three years less all loss and loss expense payments made
21 under liability policies written in the corresponding years; but in any
22 event, such reserve shall, for the first of such three years, be not less
23 than seven hundred and fifty dollars for each outstanding liability
24 suit on said year's policies.

25 3. For all compensation claims under policies written more than
26 three years prior to the date as of which the statement is made, the
27 present values at four per centum interest of the determined and the
28 estimated future payments.

29 4. For all compensation claims under policies written in the three
30 years immediately preceding the date as of which the statement is
31 made, such reserve shall be sixty-five per centum of the earned com-
32 pensation premiums of each of such three years, less all loss and loss
33 expense payments in connection with such claims under policies writ-
34 ten in the corresponding years; but in any event, in the case of the
35 first year of any of such three-year period such reserve shall be not
36 less than the present value at four per centum interest of the
37 determined and the estimated unpaid compensation claims under poli-
38 cies written during such year.

1 SEC. 2. Definitions. The term "earned premiums" as used herein
2 shall include gross premiums charged on all policies written, including
3 all determined excess and additional premiums, less return premiums,
4 other than premiums returned to policy holders as dividends, and less
5 re-insurance premiums and premiums on policies cancelled, and less
6 unearned premiums on policies in force. But any participating com-
7 pany which has charged in its premiums a loading solely for dividends
8 shall not be required to include such loading in its earned premiums,
9 provided a statement of the amount of such loading has been filed
10 with and approved by the commissioner of insurance.

11 The term "compensation" as used in this act, shall relate to all
12 insurances affected by virtue of statutes providing compensation to
13 employes for personal injuries irrespective of fault of the employer.
14 The term "liability" shall relate to all insurance, except compensation
15 insurance, against loss or damage from accident to or injuries suffered
16 by an employe or other person and for which the insured is liable.

17 The terms "loss payments" and "loss expense payments" as used
18 herein shall include all payments to claimants, including payments for
19 medical and surgical attendance, legal expenses, salaries and expenses
20 of investigators, and field men, rents, stationery, telegraph and tele-
21 phone charges, postage, salaries and expenses of office employes, home
22 office expenses, and all other payments made on account of claims,
23 whether such payments shall be allocated to specific claims or un-
24 allocated.

1 SEC. 3. Unallocated expense. All unallocated liability loss expense
2 payments made in a given calendar year subsequent to the first four
3 years in which an insurer has been issuing liability policies shall be
4 distributed as follows: Thirty-five per centum shall be charged to the
5 policies written in that year, forty per centum to the policies written
6 in the preceding year, ten per centum to the policies written in the

7 second year preceding, ten per centum to the policies written in the
8 third year preceding, and five per centum to the policies written in
9 the fourth year preceding, and such payments made in each of the
10 first four calendar years in which an insurer issues liability policies
11 shall be distributed as follows: In the first calendar year one hundred
12 per centum shall be charged to the policies written in that year, in
13 the second calendar year fifty per centum shall be charged to the
14 policies written in that year and fifty per centum to the policies writ-
15 ten in the preceding year, in the third calendar year forty per centum
16 shall be charged to the policies written in that year, forty per centum
17 to the policies written in the preceding year, and twenty per centum
18 to the policies written in the second year preceding, and in the fourth
19 calendar year thirty-five per centum shall be charged to the policies
20 written in that year, forty per centum to the policies written in the
21 preceding year, fifteen per centum to the policies written in the second
22 year preceding, and ten per centum to the policies written in the third
23 year preceding, and a schedule showing such distribution shall be
24 included in the annual statement.

25 All unallocated compensation loss expense payments made in a given
26 calendar year subsequent to the first three years in which an insurer
27 has been issuing compensation policies shall be distributed as follows:

28 Forty per centum shall be charged to the policies written in that
29 year, forty-five per centum to the policies written in the preceding
30 year, ten per centum to the policies written in the second year pre-
31 ceding and five per centum to the policies written in the third year
32 preceding, and such payments made in each of the first three calendar
33 years in which an insurer issues compensation policies shall be dis-
34 tributed as follows: In the first calendar year one hundred per centum
35 shall be charged to the policies written in that year, in the second
36 calendar year fifty per centum shall be charged to the policies written
37 in that year and fifty per centum to the policies written in the preced-
38 ing year, in the third calendar year forty-five per centum shall be
39 charged to the policies written in that year, forty-five per centum to the
40 policies written in the preceding year and ten per centum to the
41 policies written in the second year preceding, and a schedule showing
42 such distribution shall be included in the annual statement.

43 Whenever, in the judgment of the commissioner of insurance, the
44 liability or compensation loss reserves of any insurer under his super-
45 vision, calculated in accordance with the foregoing provisions, are
46 inadequate, he may, in his discretion, require such insurer to maintain
47 additional reserves based upon estimated individual claims or other-
48 wise.

1 **SEC. 4. Annual statement—requirement.** Each insurer that writes
2 liability or compensation policies shall include in the annual statement
3 required by law a schedule of its experience thereunder in such form
4 as the commissioner of insurance may prescribe.

Approved April 21, A. D. 1923.